

RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

June 7, 2007

PUBLIC SESSION

A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation (“RIIFC”) was held in public session at the offices of RIIFC, 315 Iron Horse Way, Suite 101, Providence, Rhode Island, on Thursday, June 7, 2007 beginning at approximately 9:00 a.m., pursuant to a notice and agenda duly posted and sent to all members.

Members present and attending the meeting were: Mr. Edward Rendine, Mr. William Parsons, Mr. Ronald Renaud and Mr. David Piacitelli. Mr. Piacitelli’s attendance at the meeting commenced at the opening of the consideration of the sales tax exemption item listed below and he remained for the balance of the meeting. Mr. Andrew Lyon, III was absent from the meeting. Also present and attending at the meeting were Mr. Earl Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Mr. Michael Saul, Managing Director – Finance for the Rhode Island Economic Development Corporation, Antonio Afonso, Jr., Esquire, Special Counsel to RIIFC and a member of the Senate Fiscal Staff. Mr. Rendine presided and called the meeting to order.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE

JANUARY 25, 2007 BOARD MEETING

The first item to come before the Board in Public Session was consideration of the Minutes for the Board meeting held on January 25, 2007 (the “January 25 Minutes”). Mr. Renaud made a motion to accept the January 25 Minutes as presented. Mr. Parsons seconded the motion, which was adopted as follows: Mr. Parsons – yes, Mr. Piacittelli – yes, and Mr. Rendine – yes.

REVIEW OF RIIFC INTERNALLY PREPARED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2007

Mr. Queenan reviewed with the Board internally prepared financial statements for RIIFC for the eleven month period ended May 31, 2007.

Presented and reviewed were a balance sheet and income statement for the above-referenced period. Mr. Rendine inquired with respect to several items on the balance sheet and income statement including the restricted repo on the balance sheet and various expense items in the income statement. Following Mr. Queenan’s response to the various inquiries and brief discussion of the financial statements by the Board, a motion was made by Mr. Parsons to accept the financial reports as presented. Mr. Renaud seconded Mr. Parsons’ motion which was adopted as follows: Mr. Rendine – yes, Mr. Renaud – yes, and Mr. Parsons – yes.

CONSIDERATION OF A RECOMMENDATION FOR SALES TAX EXEMPT STATUS FOR SHIPWRECK FALLS RESORT/RHODE ISLAND, L.P. PROJECT

The next item to be taken up by the Board was a request from Shipwreck Falls Resort/Rhode Island, L.P. for a recommendation for project sales tax exempt status from RIIFC. Mr. Scolavino reviewed with the Board details of the proposed Shipwreck Falls Resort/Rhode Island, L.P. project to be located in the West Warwick Business Park in West Warwick, Rhode Island. In particular, Mr. Scolavino reviewed the machinery and equipment financing request together with the request for sales tax exempt status. A lengthy discussion ensued concerning the economic impact analysis prepared for RIIFC by staff of the Rhode Island Economic Development Corporation (“EDC”) and the findings therein together with the revenues which would be generated by the Shipwreck Falls project. Following the foregoing discussion and upon motion duly made by Mr. Parsons and seconded by Mr. Renaud, for the adoption of the resolution in the form presented to the Board with respect to the sales tax exempt recommendation, the Resolution attached hereto as Exhibit A together with the attachments referenced therein was adopted by the Board of RIIFC as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Renaud – yes, and Mr. Piacitelli – yes.

**CONSIDERATION OF A RESOLUTION WITH RESPECT TO
IMPOSITION
OF ADMINISTRATIVE FEES**

At the request of RIIFC staff, a Resolution was prepared by Counsel dealing with the imposition, billing and collection of administrative

fees with respect to RIIFC bond issuances. Extensive discussion among the Board members ensued relative to the particular details of the proposed administrative fee policy. Mr. Saul gave a detailed explanation of both the policy considerations and the practical implementation of the proposed administrative fee policy. Following a series of questions and answers by various Board members, a motion was made by Mr. Parsons and seconded by Mr. Renaud to adopt the Resolution of the Rhode Island Industrial Facilities Corporation Concerning Administrative Fee Policy in the form presented to the Board and attached hereto as Exhibit B.

EXECUTIVE SESSION

Mr. Rendine then stated the need to have the meeting reconvene in Executive Session with respect to the application of Shipwreck Falls Resort/Rhode Island, L.P. request for financing. Mr. Parsons made a motion that the meeting be reconvened in Executive Session pursuant to R.I.G.L. 42-46-5(a)(6) and (7). Mr. Renaud seconded Mr. Parsons' motion which motion was unanimously adopted as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Renaud – yes and Mr. Piacitelli – yes.

ADJOURNMENT

The meeting was reconvened from Executive Session to Public Session following which Mr. Parsons made a motion, which motion was seconded by Mr. Piacitelli to adjourn the meeting which motion was adopted as follows: Mr. Rendine – yes, Mr. Parsons – yes, Mr. Renaud – yes and Mr. Piacitelli – yes.

SECRETARY'S CERTIFICATE

I, Anthony Scolavino, Secretary of the Rhode Island Industrial Facilities Corporation, hereby certify that attached hereto is a true and accurate copy of the minutes of the meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on June 7, 2007. These minutes were approved by the Board of Directors at a meeting held on July 26, 2007.

Anthony Scolavino, Secretary

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EXHIBIT A

RESOLUTION OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION CONCERNING RECOMMENDATION OF SALES TAX EXEMPT STATUS FOR SHIPWRECK FALLS RESORT/RHODE ISLAND, L.P. PROJECT

WHEREAS, the Rhode Island Industrial Facilities Corporation (“RIIFC”) is a public-body corporate of the State of Rhode Island for the purposes of implementing its projects defined in R.I.G.L. § 45-37.1-1 Et. Seq.;

WHEREAS, pursuant to R.I.G.L. § 45-37.1-9, sales tax exemptions for RIIFC projects are not effective unless such exemption “has the prior approval of the General Assembly”;

WHEREAS, R.I.G.L. § 45-37.1-9.1 and the Board of Directors of the Rhode Island Industrial Facilities Corporation by resolutions dated August 31, 2006 have established a required procedure with respect to applicant requests for sales tax exemption;

WHEREAS, RIIFC desires to afford the sales tax exemption to the applicant, Shipwreck Falls Resort/Rhode Island, L.P. (the “Applicant”), carry out the dictates of the above-referenced statutes

and RIIFC policies toward the end of assisting the Applicant in obtaining exemption from sales tax for the “Project”, which is the subject of an Inducement Resolution attached hereto as Attachment A adopted by the RIIFC Board on June 7, 2007;

NOW, THEREFORE, does RIIFC adopt the following resolutions:

RESOLVED: Pursuant to R.I.G.L. § 45-37.1-9.1, and duly adopted policies of the Board of Directors of the RIIFC, the Rhode Island Economic Development Corporation (“EDC”) has prepared an economic impact analysis with respect to the Applicant, Shipwreck Falls Resort/Rhode Island, L.P.; further provided that RIIFC hereby adopts the economic impact analysis of Shipwreck Falls Resort/Rhode Island, L.P. prepared by the EDC and presented to the Board of Directors of even date herewith and attached hereto as Attachment B;

FURTHER

RESOLVED: that consistent with the policies of RIIFC, RIIFC hereby finds, based upon the economic impact analysis prepared by the EDC and adopted this day by RIIFC, that the income tax to the State of Rhode Island to be generated by the proposed sales tax exempt Project financing for Applicant shall exceed the sales tax exemption amount in a period of three years and the proposed sales tax exempt Project financing will result in the Project generating in excess of one hundred jobs for a period of three years from the date of completion

of the project to be financed;

FURTHER

RESOLVED: that the Board of Directors of RIIFC does hereby recommend that a sales tax exemption be furnished to the Project pursuant to R.I.G.L. § 45-37.1-9 and 45-37.1-9.1 and that such recommendation be presented by RIIFC to the General Assembly of the State of Rhode Island with the aid and assistance of the EDC and its authorized representatives for final approval of the General Assembly.

Adopted: June 7, 2007

EXHIBIT B

RESOLUTION OF THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION CONCERNING ADMINISTRATIVE FEE POLICY

WHEREAS, the Rhode Island Industrial Facilities Corporation (“RIIFC”) from time to time issues its bonds for the benefit of “Projects” as defined in R.I.G.L. § 45-37.1-3;

WHEREAS, in connection with the issuance of such Bonds, RIIFC establishes, from time to time, administrative fees to be charged to obligors and borrowers in connection with such Bonds;

NOW, THEREFORE, does the Rhode Island Industrial Facilities Corporation resolve as follows and does hereby adopt the following resolutions:

RESOLVED: that with respect to administrative fees to be imposed in connection with the issuance by RIIFC of tax exempt or taxable bonds for RIIFC Projects, the administrative fee to be imposed by RIIFC in connection with such bonds shall, absent good cause shown and subject to the approval of RIIFC as to such good cause, be imposed at a rate of one-eighth of one percent (.125%) per annum based on the proposed amortization schedule for the bonds;

FURTHER

RESOLVED: that with respect to the issuance by RIIFC of tax exempt bonds, adequate adjustment to any administrative fee to be imposed may be made by RIIFC to take into account requirements imposed on the issuance of any such tax exempt bonds by the United States Internal Revenue Code and United States statutes governing such bonds;

FURTHER

RESOLVED: that RIIFC may provide for the payment of administrative fees on a monthly, quarterly or semi-annual basis or in advance at closing calculated on a present value basis using the interest rate in effect on the date of issuance of the bonds;

FURTHER

RESOLVED: in the event payment of administrative fees is not made in advance at closing but is instead subject to periodic payment, a minimum administrative fee shall be imposed at the time of any

pre-payment prior to maturity of the bonds equal to the present value, on the date of such pre-payment, of the remaining administrative fees which would otherwise have been due but for pre-payment of the bonds through the tenth year of the term of such bonds; provided that pre-payments made after the expiration of the tenth year of the term of the bonds shall not be subject to the imposition of a minimum administrative fee; and

FURTHER

RESOLVED: that RIIFC and its staff be and hereby are authorized and empowered to take such steps as are necessary to draft and adopt regulations consistent with these resolutions.

Adopted: June 7, 2007

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